SCHLESINGER INTERVIEW

Tom Petit and Barbara Walters, NBC "TODAY SHOW" -- Washington and NY

Q: Mr. Secretary, will it be your recommendation that we sell arms to Egypt?

That is of course a difficult question. I think that **A**: it would be advisable from the standpoint of American policy to achieve a diversification of the sources of arms going to Egypt. Egypt has in the past been totally dependent upon Soviet arms, and the consequence of that has been that Soviet influence over the Egyptian policy has been massive. And as a consequence, the Middle East has been more unstable. I think that a diversification of arms sources can alter that condition and help to stabilize the Middle East.

Did Sadat tell you exactly what he wants? Q:

No, there was no list of items in that sense. I think that President Sadat indicated publicly what he indicated privately, which is that he is concerned about the longer term. I don't believe that he is pressing very hard in the immediate future.

Q: Well, what kind of weapons do you think we are talking about here?

Of course, you are asking me to speculate on what the Egyptians might require on their list.

Q: Well, we know what the Israelis want from us -- the missiles and jets. What would the Egyptians want?

A: That is a harder question to answer because the Israelis depend entirely upon American supply, whereas the Egyptians can draw upon other sources of supply including Western They have lately started to contract, I believe, for some Mirage jets from France and some aircraft from Britain. And given the variety of sources, it's difficult to place any particular item on the American list.

Ms. Walters: Mr. Secretary, just on that subject. Since the Egyptians have signed up for quite a good deal of arms from Britain and France, since they are in a position to continue to get arms from the Soviets and still do get some small arms, and since the Soviet is supplying the other Arab nations, primarily Syria, would this not upset the balance of power, since the Egyptians have so much call to arms or so many resources and the Israelis have only the United States?

- A: I think the answer to that is the question of the quantitative flow into the Middle East. And since the Middle Eastern war in 1973, the Isrealis have received fairly substantial shipments, whereas the Egyptians have received relatively little. We would have to watch the arms balance very carefully.
- Q: Is there a balance today among the United States, the Soviet Union, and the People's Republic of China?
- A: I think that there is a political balance which has helped to maintain a world-wide military equilibrium.
- Q: Is there a military balance of power? That is to say, does our relationship with the Soviet Union and with the People's Republic of China create a situation both between China and us, and between China and the Soviet Union that forestalls the possibility of hostilities?
- A: I think that at the present time you've summed it up pretty well. The problem that we see is the continuing trends in terms of military power. The Soviet Union has been expanding its military capacity at about the rate of three or four percent a year. The United States has been shrinking in recent years by about two or three percent. A continuation of these trends will clearly leave the Soviets in some years in a position of dominance in a military sense over the United States, and then that world-wide military balance might collapse.
- Q: In some years -- when do you mean?
- A: Well, at the moment the Soviets are outspending us in real terms by about thirty-five percent. Fifty percent approximately, if you exclude pensions and other rights. To continue the trends of future years, within five years they would be spending about twice as much. They would have modernized their strategic missile force. And at a that point it would be very hard to say that the United States had military power second to none. I know that that is an objective. I know that many people will pay lip service to that. But the question is: we must maintain

No Objection To Declassification in Full 2011/04/28: LOC-HAK-431-3-2-7 our military capacity rather than allowing it to erode which we have in recent years.

- Q: But you said that there was a point in time, as Pentagon people are prone to say --
- A: Oh, ho -- I never used that particular expression.
- Q: I didn't say you. A point in time when we will be second. What is that point?
- A: One cannot define that with any precision. What happens is that one grows to live with a higher level of risk over a period of years than one finds comfortable. And really, one can never define precisely when one has moved along that trend line to the point that you cross over. I think that it's clear the direction in which we have been moving, but your question really comes to:how close to the edge of the cliff can we come without falling over? And that's a very difficult question to answer.
- Ms. Walters: Tom, if I may, I'd like to ask two separate questions. The first, Mr. Secretary, on this subject: the Senate yesterday votad \$90.6 billion, but that's \$7.3 billion less than you had asked. How serious do you find this reduction? That's the first question, and while I have the floor. I would like to ask also about the reported disagreement between you and Secretary of State Kissinger. We have read that you are barely on speaking terms. I would like to know if there is any accuracy to this report, and if so, what the disagreement centers on.
- Q: Would you like to try the second one first?
- A: On the second question, I keep reading about these reports, and I think that they add a certain spice to the newspapers. But the emphasis on the disagreement, I think, is much exaggerated. Of course, Secretary Kissinger and I have not always immediately agreed on policy, but it's sort of natural, given our varying responsibilities, for there to be somewareas of difference. But with regard to the establishment of American policy, we ultimately come into agreement, and of course the President will decide if there is any area of disagreement.

(Remainder of interview focused primarily on Congressional cuts in the Defense budget.)